

**SETTLEMENT AGREEMENT BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION** 3 | FEB 25 2020  
**AND RANDY R. WATSON**

Randy R. Watson (Watson) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Watson's certification as a state-certified residential real estate appraiser, no. RA002733, will be subject to discipline. Watson enters this Settlement Agreement for the purposes of settlement only and to minimize the costs of litigation. Pursuant to § 536.060, RSMo 2000,<sup>1</sup> the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREAC under § 621.110, RSMo Supp. 2013. The MREAC and Watson jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2013.

Watson acknowledges that he understands the various rights and privileges afforded him by law, including the right to a hearing of the charges against him; the right to appear and be represented by legal counsel; the right to have all charges proven upon the record by competent and

---

<sup>1</sup> All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

substantial evidence; the right to cross-examine any witnesses appearing against him at the hearing; the right to present evidence on his behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the charges pending against him; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREAC at which time Watson may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREAC.

Being aware of these rights provided to him by law, Watson knowingly and voluntarily waives each and every one of these rights and freely enters into this Settlement Agreement and agrees to abide by the terms of this document as they pertain to him.

Watson acknowledges that he has received a copy of documents that were the basis upon which the MREAC determined there was cause for discipline, along with citations to law and/or regulations the MREAC believes were violated. Watson stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Watson's certification as a state-certified residential real estate appraiser,

certificate no. RA002733, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.500 through 339.549, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREAC and Watson in Part II herein is based only on the agreement set out in Part I herein. Watson understands that the MREAC may take further disciplinary action against him based on facts or conduct not specifically mentioned in this document that are either now known to the MREAC or may be discovered.

**I.**  
**Joint Stipulation of Facts and Conclusions of Law**

Based upon the foregoing, the MREAC and Watson herein jointly stipulate to the following:

1. Respondent Randy R. Watson ("Watson") is certified by the MREAC as a state-certified residential real estate appraiser, certificate no. RA002733.
2. Section 339.532.2, RSMo Cum. Supp. 2013, setting forth the causes for discipline, states in part:
  2. The commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621 against any state-certified real estate appraiser, state-licensed real estate appraiser, state-licensed appraiser trainee, state-

certified residential appraiser trainee, state-certified general appraiser trainee, state-licensed appraisal management company that is a legal entity other than a natural person, any person who is a controlling person as defined in this chapter, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

...

(6) Violation of any of the standards for the development or communication of real estate appraisals as provided in or pursuant to sections 339.500 to 339.549;

...

(14) Violation of any professional trust or confidence[.]

3. In January 2010, section 339.535, RSMo, requiring compliance with the Uniform Standards of Professional Appraisal Practice, stated:

State certified real estate appraisers and state licensed real estate appraisers shall comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation.

4. On or about January 25, 2010, Watson completed and signed an appraisal report for residential real estate located at 3844 Michigan Ave., St. Louis, Missouri 63118 (the “Michigan Avenue Property” or “subject property”). The effective date of the appraisal report was January 19, 2010. This appraisal valued the property at \$148,000. This appraisal shall be referred to hereinafter as the “Michigan Avenue Appraisal Report.”

5. Watson was required to develop and report the results of the Michigan Avenue Appraisal Report in compliance with the Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition (USPAP).

6. The Michigan Avenue Property is a 102 year old single family two-story residence, situated on a .092 acre site. It is located within the City of St. Louis, Missouri and in the Dutchtown neighborhood. The sub-neighborhood is Dutchtown East.

7. In preparation of the Michigan Avenue Appraisal Report, Watson made errors including but not limited to:

a. Improperly characterized the Michigan Avenue Property's neighborhood as the entire City of St. Louis, Missouri, when the subject property actually belongs to the Dutchtown neighborhood, which is one of seventy-nine identified neighborhoods in the City of St. Louis;

b. Incorrectly described the Michigan Avenue Property's neighborhood as "suburban" when it is actually located in the City of St. Louis, which is an urban area;

c. Incorrectly stated the neighborhood values as "stable" when the neighborhood is actually located within a "declining market";

d. Incorrectly identified the neighborhood demand as “balanced” when, in fact, the neighborhood demand should have been marked as “over supply”;

e. Incorrectly stated the highest sales price in the neighborhood as \$300,000 when there were no existing home sales within a half of a mile of the subject property over \$150,000;

f. Incorrectly identified the predominant sales price in the neighborhood as \$170,000 when the predominant sales price for sales within the neighborhood was under \$60,000; and

g. Failed to properly analyze the sale history of the Michigan Avenue Property. While the Michigan Avenue Appraisal Report accurately describes the dates and reported sales price in the sales history, Respondent mischaracterized the February 2008 sale as an investment sale and the May 2008 sale as an “open market” sale without disclosing that each of these sales were to and from related family members.

8. In the preparation and reporting of the Sales Comparison Analysis in the Michigan Avenue Appraisal Report, Watson made errors including but not limited to:

a. Failed to apply necessary adjustments to the comparable sales which were superior to the Michigan Avenue Property in features such as location, hardwood floors, original woodwork, stained glass windows, functional fireplaces, updated kitchens, roofing, and general maintenance;

b. Failed to note that Comparable Sales 1 & 2 suffer from traffic and commercial influences, which would have offset the location factor.

9. In the preparation and reporting of the Michigan Avenue Appraisal Report's Market Conditions Addendum, Watson made errors, including, but not limited to inaccurately representing that "foreclosure sales" were not a factor in the market when, in fact, there was a substantial number of foreclosure sales, which had a negative impact on the sales price.

10. Based on the errors stipulated to herein, Watson erroneously developed the Michigan Avenue Appraisal Report in violation of USPAP Standards 1 and 2, and Standards Rules 1-1(a), (b), and (c), and 1-2(e)(i), 1-4(a), 2-1(b), 2-2(b)(iii), and § 339.535, RSMo, which provides cause to discipline Watson's certification under § 339.532.2(6) and (14), RSMo Supp. 2013.

**II.**  
**Joint Agreed Disciplinary Order**

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREAC in this matter under the authority of § 536.060, RSMo, and §§ 621.045.4 and 621.110, RSMo Supp. 2013.

11. **Watson's certification is publically censured.** Watson's certification as a state-certified residential real estate appraiser is hereby PUBLICALLY CENSURED based on his having completed the following coursework: a fifteen hour qualifying education course in market data analysis; a fifteen hour qualifying education USPAP course; and a seven hour continuing education mortgage fraud course.

12. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Watson of §§ 339.500 through 339.549, RSMo, as amended, the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

13. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Settlement Agreement that are either now known to the MREAC or may be discovered.

14. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

15. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.


16. The parties to this Settlement Agreement understand that the MREAC will maintain this Settlement Agreement as an open record of the MREAC as required by Chapters 324, 339, and 610, RSMo, as amended.

17. Watson, together with his partners, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREAC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo, as amended, or any claim arising under 42 U.S.C. § 1983, which now or in the


future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

18. This Settlement Agreement goes into effect immediately upon being signed by the Executive Director of the MREAC.


LICENSEE

  
Randy R. Watson  
Date: 2-18-2016

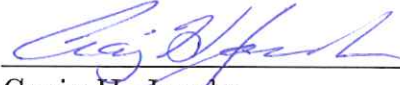
MISSOURI REAL ESTATE  
APPRAISERS COMMISSION

  
Vanessa Beauchamp, Executive  
Director  
Date: 2-25-16

NEWMAN, COMLEY & RUTH P.C.

  
Nicole L. Sublett  
Missouri Bar No. 51728  
P.O. Box 537  
Jefferson City, MO 65102  
Phone: 573-634-2266  
Fax: 573-636-3306  
[Niki.s@ncrpc.com](mailto:Niki.s@ncrpc.com)

CHRIS KOSTER  
Attorney General

  
Craig H. Jacobs  
Assistant Attorney General  
Missouri Bar No. 48358  
Supreme Court Building  
207 West High Street  
P.O. Box 899  
Jefferson City, MO 65102  
Telephone: 573-751-1143  
Telefax: 573-751-5660  
[Craig.Jacobs@ago.mo.gov](mailto:Craig.Jacobs@ago.mo.gov)  
Attorneys for the MREAC